

The most influential Republican in the entire country right now may be U.S. Rep. Paul Ryan of Wisconsin. The 40-year old, six-term congressman from Janesville has put forward the only specific plan that would actually pull America out of its unsustainable fiscal freefall. You can see Ryan's "Roadmap for America's Future 2.0," also known as H.R. 4529, at www.roadmap.republicans.budget.house.gov

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At Ryan's request, the Congressional Budget Office (CBO) compared the Roadmap with an "alternative fiscal scenario" of its "baseline budget projections" for the next decade, but incorporating likely policy changes. It concluded that, "The Roadmap would put the federal budget on a sustainable path" and that "the economy would be considerably stronger under the proposal that it would be under the alternative fiscal scenario."

The Obama administration acknowledges that federal deficits in excess of 3 percent of gross domestic product are "unsustainable." But by its own admission, the administration's proposed budget does not even come close to sustainability over the short, medium, or long term.

Office of Management and Budget Director Peter Orzag and Treasury Secretary Timothy Geithner say that with these unsustainable deficits "interest rates will spike," as other countries refuse to lend to America at low rates, and the dollar will "plunge." This will "impede economic activity," "harm the very job creation that we are trying to spur" and "America will be weaker as a country in the future."

Nonetheless, the administration has submitted a proposed budget based on optimistic economic assumptions, but with deficits that are, by its own definition, unsustainable and will remain so into the long-term future. Instead, Obama passes the buck to a "fiscal commission" that is to make recommendations after the 2010 elections.

At a recent hearing, Rep. John Campbell of California asked Orzag why the president would not propose a plan to reach sustainable deficits when "one congressman in the minority," Ryan, had done so. Incredulous, Campbell continued, "He (Obama) needs a commission to tell him what to do?! The president can't come up with his own idea or make a suggestion on how to make a sustainable budget?" Good questions, and Orzag could only counter that any such plan would need bipartisan support to succeed (apparently unlike health care).

Ryan's Roadmap de-links health coverage from employment, provides refundable tax credits for interstate insurance purchasing, and gives states more Medicaid flexibility. It makes Medicare permanently solvent, preserving the program for those 55 or older while means-testing it for others and expanding medical savings accounts.

Those under 55 can invest a share of their Social Security taxes into personal retirement accounts they will actually own and can bequeath to heirs. It makes Social Security permanently solvent by reducing growth in initial benefits and increasing the retirement age.

The Roadmap radically simplifies the tax code. It eliminates taxes on interest, capital gains, dividends, and death, abolishes the alternative minimum tax, and replaces the corporate income tax with a business consumption tax. Federal expenditures are limited to 19 percent of GDP.

As this simplified summary suggests, Ryan's plan is complex and controversial. Some GOP bigwigs fear its political fallout. But the Roadmap is a welcome revival of Republicans running on real ideas and proposals as they did so successfully with 1994's Contract with America.

Republicans compiled an absolutely awful spending record from 2001 to 2007. Yet all along the way Democrats wanted to spend even more than the GOP did. They still do. Livid liberals reflexively claim that the Roadmap somehow unfairly favors "the wealthy," but offer no equally effective fiscal formula of their own.

"This works," Ryan says. "It solves our fiscal crisis."

The Economist says Ryan deserves credit for "an honest and daring proposal." The respected, left-of-center British publication adds, "If nothing else, Mr. Ryan has reminded everyone of the hard choices that will soon have to be made."

Obama only talks about such choices. Ryan actually makes them. That is what real leadership looks like.